



COOK COUNTY HEALTH
& HOSPITALS SYSTEM
CCHHS

FY2016 Budget Presentation

CCHHS Finance Committee Meeting

Dr. Jay Shannon, CEO

Doug Elwell, Deputy CEO for Finance & Strategy

August 21, 2015

FY15 Accomplishments

- Finances
- Hiring – on track to fill 1,000 vacancies this year, up from 465 in FY14
- Expansion of CountyCare to include traditional Medicaid populations
 - Current membership exceeds budget projections
 - CountyCare largest Medicaid plan serving Cook County residents



FY15 Accomplishments

- Expanded access to outpatient services to reduce avoidable inpatient stays
- Patient Support Center
 - 1,300 calls per day
 - Expanded hours M-F, 8am-7pm
 - Added nursing support
 - PSC schedules all community-based primary care appointments and will soon schedule all imaging appointments
 - E-consult platform rolling out



FY15 Accomplishments

- New MRI and linear accelerators installed
 - 7,000 MRIs annually
 - 50-100 radiation treatments daily
- 2nd shift added to System mail-order pharmacy
 - 1.9 million outpatient prescriptions filled annually
- Comprehensive ophthalmology services added at Provident and expanded at Oak Forest Health Center
 - 200 patients weekly



FY15 Accomplishments

- Opened 14-bed Four Flex Unit (short stays)
- Decreased Stroger Emergency Department arrival to discharge time by 35% and “left without being seen” proportion by 75%
- Achieved 94% compliance with employee influenza vaccination policy



FY15 Accomplishments

Correctional Health

- Residential Treatment Unit fully operational housing nearly 1,000 detainees daily
- National Health Service Corp legislation introduced

Public Health

- Measles outbreak mitigation in north suburbs
- Ebola preparation and monitoring



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FY15 Accomplishments

Accreditations/Certifications

- National Burn Center Verification for Stroger Burn Unit from American Burn Association
- Primary Care Medical Home Certification from The Joint Commission
- Three year accreditation for Provident Hospital from The Joint Commission
- Health Information Management Systems Society Stage 6



FY16 Initiatives

- Improve utilization of CCHHS services by CountyCare members
- Relocate/improve community-based clinical services based on patients' needs, market indicators and facility location and condition
- Expand behavioral health services
- Utilize more efficient inpatient and outpatient staffing models



FY16 Initiatives

- Continue patient experience initiative
- Identify opportunities to bring services in-house and maximize effectiveness of existing contracts (\$5M net savings)
- New facility investment on the Central Campus



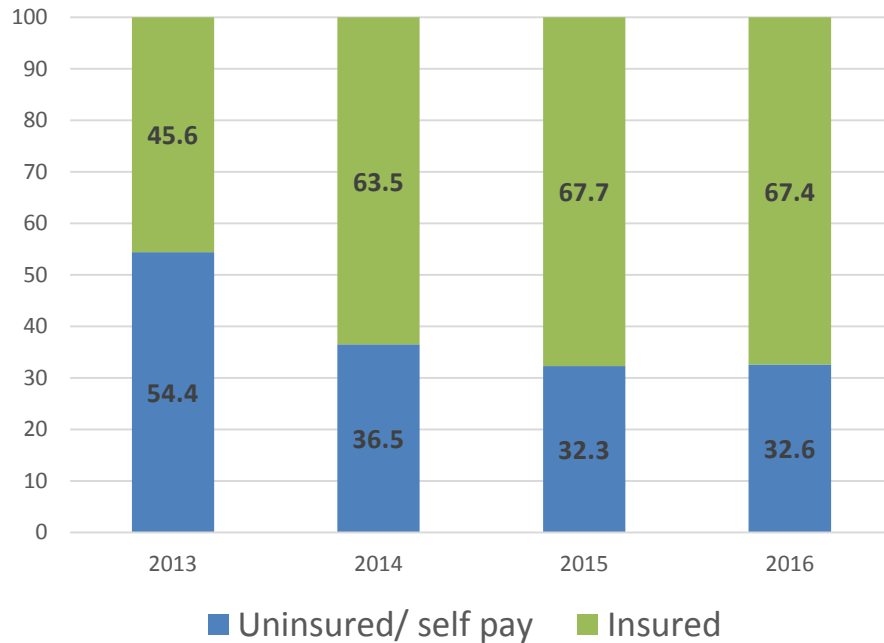
FY16 Key Budget Drivers

- Maintain mission to serve all in need
- Unprecedented competition for nearly 70% of our patients who are insured
- Increase outpatient capacity and improve patient experience to drive volume
- Continue to improve System's financial position
- Reduce number of detainees with behavioral health issues

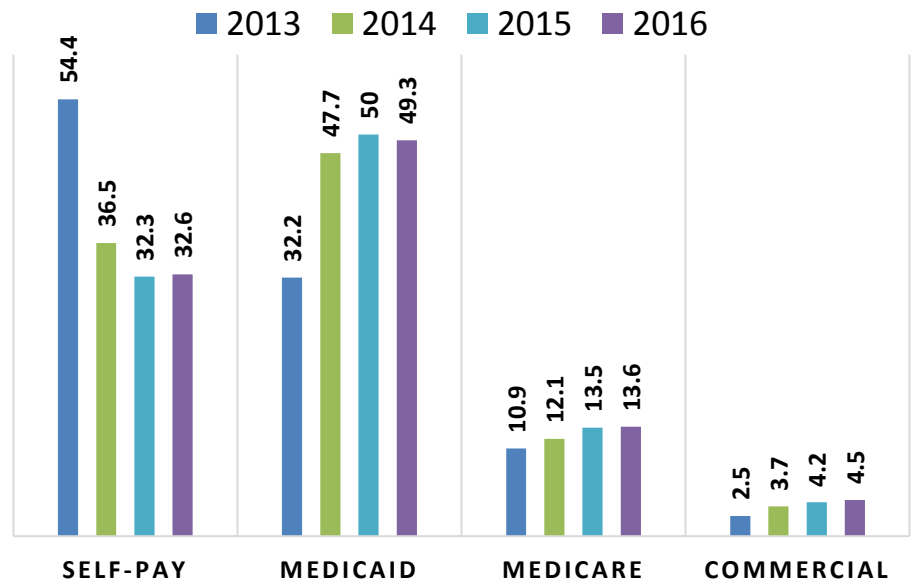


CCHHS Payor Mix

Insurance Status of CCHHS Patients



CCHHS PAYOR MIX
2013-2015



FY16 Budget Assumptions

- Inpatient volumes projected to decrease 5%
- Outpatient volumes projected to increase 15%
- Emergency visits projected to stabilize
- CountyCare membership projected at 180,000



Monthly -Inpatient Days, Emergency Visits and Outpatient Clinic Registrations

	FY 2014 (Monthly Average)	FY 2015* (Monthly Average)	FY2016 Monthly Projection
Inpatient Days	8,752	8,349	7,932
Observation Days	839	824	783
Emergency	12,887	12,255	12,255
Outpatient	78,021	77,340	88,941

*data through July 2015

Source: CERNER



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FY16 Budget Assumptions

- Maintain mission to the underserved in Cook County
- Lower direct support from Cook County taxes post-Affordable Care Act
- Invest in new and existing clinical services and facilities to remain competitive
- Improve patient experience to retain/grow volumes
- Continued aggressive recruitment of exceptional staff



FY16 Budget Assumptions

- Migration from Fantus to newly configured clinic space within Stroger
- Begin construction of state-of-the-art regional ambulatory center to serve the Provident community
- Identify options for a more efficient, cost-effective regional ambulatory center to serve the south suburban population
- Expand behavioral health services to reduce unnecessary ED visits/hospitalizations and detentions for patients with mental illness

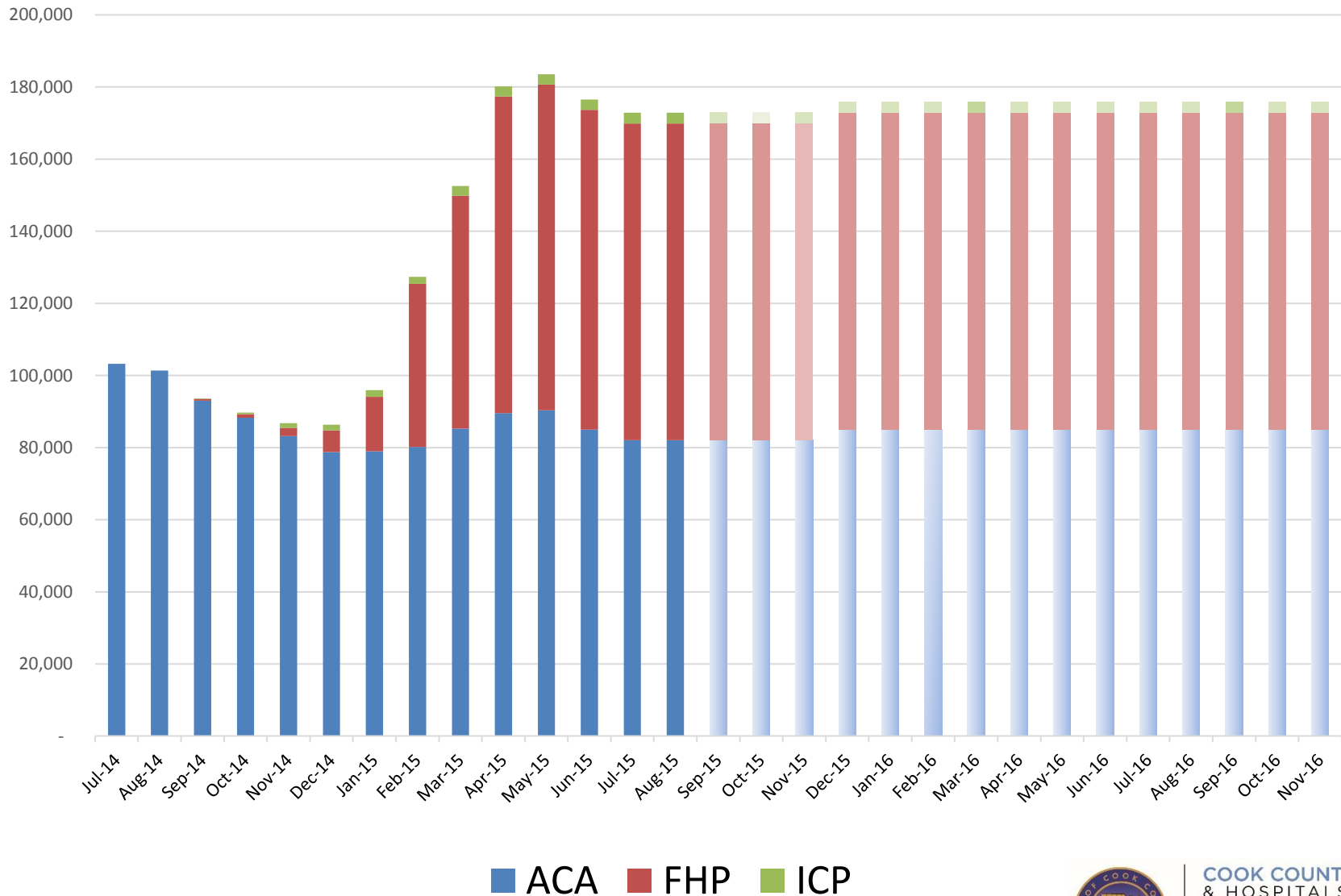


CountyCare in FY16

- Membership projected at 180,000
- New Third Party Administrator expected to yield savings
- Enhance behavioral health services- leveraging C4's resources to better manage members' needs
- Develop more comprehensive care coordination services at the provider level
- Improve utilization of CCHHS services within CountyCare network



CountyCare Membership Projection



CountyCare in FY16

\$'s in Millions	ACA Adult	FHP	ICP	Total
Membership	85,000	90,506	2,951	178,457
Revenue	\$643	\$264	\$46	\$952
Medical Expense (CCHHS)	\$217	\$70	\$23	\$310
Medical Expense (Network)	\$364	\$195	\$24	\$582
Administrative Expense	\$37	\$21	\$2	\$59
Profit/(Loss)	\$25	\$(22)	\$(3)	\$0.5
Total CCHHS Contribution	\$244	\$46	\$21	\$311



FY16 Revenue Assumptions

- Reduced County allocation
- Increase in revenue from serving more patients in imaging, ophthalmology, and outpatient surgery
- Generate capital from improvements in operations
- Fee-For-Service requiring prior authorization will now come from Medicaid Managed Care Organizations, Medicare and commercial plans instead of traditional Medicaid (\$276 million)
- DSH and BIPA expected to be stable



Revenue Enhancement Activities

- Increase preregistration staff and scope of work to significantly improve preauthorization
- Locate coders in clinical areas to work with physicians to capture all necessary documentation and coding
- E-Consult will increase early communication between CCHHS specialists and CCHHS and other primary care physicians
- Increase exam rooms per provider to enhance productivity

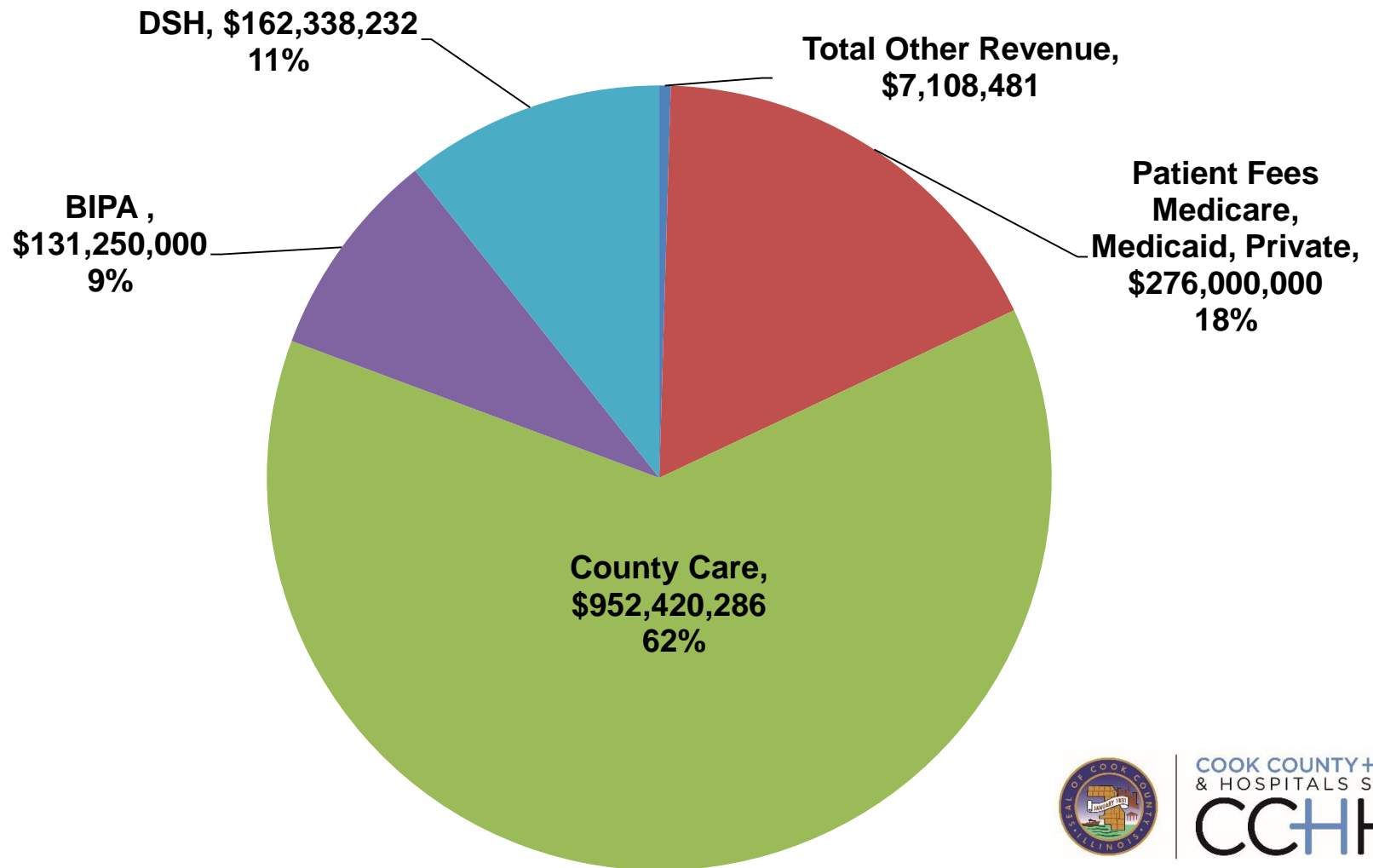


Revenue Enhancement Activities

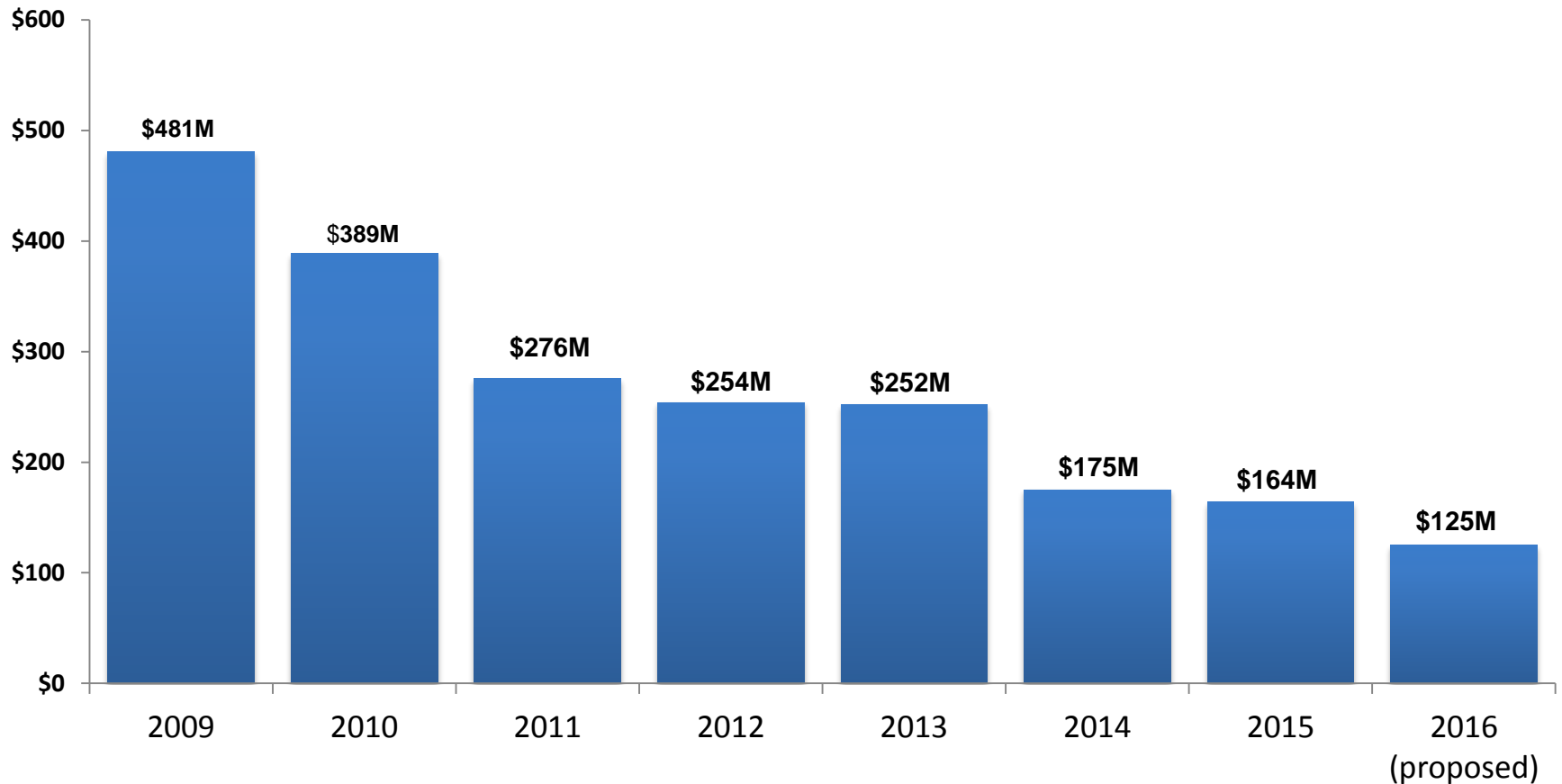
- Refurbish/relocate outpatient facilities
- Expand ophthalmology services (technology and physician availability) at Oak Forest and Provident
- Provide advanced CT, MRI, mammography services at Provident
- Expand Patient Support Center
- Extend hours for ambulatory services



FY16 Revenue by Source



Cook County Health Fund Allocation



FY16 Expense Assumptions

- Increasing personnel costs related to CBAs (\$30M in FY16)
- FTE Count 6,736
- Maintenance and utility costs on older facilities (\$13M)
- Increase in pharmaceutical and medical supply price and usage offset by waste prevention activities
- Unreimbursed care costs
 - Correctional Health (\$86M)
 - Public Health (\$15M)
 - Uncompensated Care (\$370M)



Expense Control Strategies

- Staff to volumes
- Position staff to work at the top of their license
- Expand behavioral health services to reduce unnecessary ED visits, hospitalizations and detention

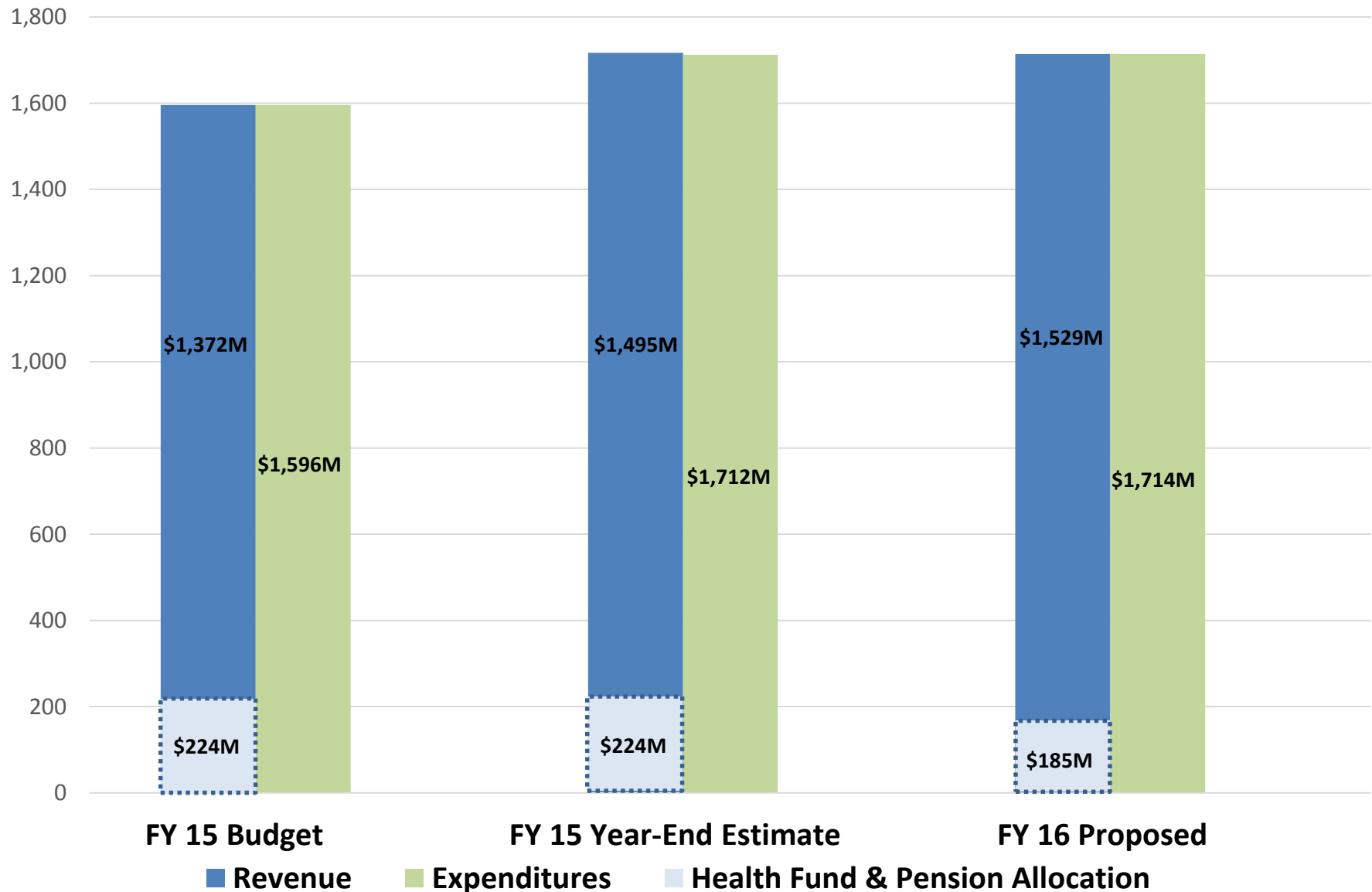


Expense Control Strategies

- Optimize inventory control
- Strengthen utilization review to reduce unnecessary admissions and lengths of stay
- Limit pharmacy access to contracted pharmacy plans and CareLink patients



Budgeted Revenues and Expenditures



Expenditures

Department	FY14 Actual	FY15 Year End Est.	FY16 Proposed	Variance FY15 Est. To FY16 Proposed	Percent Variance FY15 Est. To FY16 Proposed
Hospital Based Services	\$488M	\$702M	\$716M	\$14M	2%
Stroger Hospital	\$443M	\$640M	\$658M	18M	3%
Provident Hospital	\$45M	\$62M	\$58M	(\$4M)	(6%)
CountyCare	\$489M	\$686M	\$646M	(\$40M)	(6%)
Benefits & Insurance	\$94M				
Health Administration	\$177M	\$125M	\$128M	\$3M	2%
Ambulatory Services	\$66M	\$109M	\$123M	\$14M	13%
Correctional Health	\$44M	\$76M	\$86M	\$10M	13%
Public Health	\$13M	\$14M	\$15M	\$1M	7%
Total Expenditures	\$1,371M	\$1,712M	\$1,714M	\$2M	0%

Position Summary

Department	FY 2014 Budgeted	FY 2015 Budgeted	FY 2016 Proposed	Variance	Percent Variance
Hospital Based Services	4,264	4,483	4,526	43	1%
Stroger Hospital	3,906	4,098	4,175	77	2%
Provident Hospital	358	385	351	(34)	(9%)
CountyCare	266	30	23	(7)	(23%)
Health Administration	647	412	474	62	15%
Ambulatory Services	805	1,043	943	(100)	(10%)
ACHN	620	858	766	(92)	(11%)
CORE	70	75	78	3	4%
Oak Forest	115	110	99	(11)	(10%)
Correctional Health	616	654	647	(7)	(1%)
Cermak	579	617	611	(6)	(1%)
JTDC Health	37	37	36	(1)	(3%)
Public Health	148	125	123	(2)	(2%)
Total	6,745	6,747	6,736	(11)	0%

Summary Proposed FY16 Preliminary Budget and Projected FY17 & FY18

	FY16 Proposed	FY17 Projected	FY18 Projected
Revenues			
Revenue	\$1,529M	\$1,502M	\$1,499M
Cook County Health Fund Allocation and Pension Contribution	\$185M	\$208M	\$205M
Total Appropriated Funds	\$1,714M	\$1,710M	\$1,704M
Expenses			
Hospital Based Services	\$716M	\$702M	\$688M
CountyCare External Expense	\$646M	\$633M	\$621M
Incremental Capital Equipment		\$16M	\$30M
Health Administration	\$128M	\$128M	\$128M
Ambulatory Services	\$123M	\$132M	\$140M
Correctional Health	\$86M	\$83M	\$80M
Public Health	\$15M	\$16M	\$17M
Total Expenditures	\$1,714M	\$1,710M	\$1,704M
Net surplus/(deficit)	\$0	\$0	\$0

Questions?



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